

DELAWARE HEALTH FACILITIES AUTHORITY
MINUTES OF BOND COMMITTEE MEETING

Minutes of the Meeting of the Bond Committee (the "Bond Committee") with regard to the Bayhealth Medical Center, Inc. financing held on November 15, 2017 at the offices of Potter Anderson & Corroon LLP, 1313 North Market Street, 6th Floor, Wilmington, Delaware:

The Bond Committee of the Delaware Health Facilities Authority (the "Authority"), consisting of Rolf F. Eriksen, the Chairman of the Authority; Desmond A. Baker, Vice Chairman, Secretary, and Treasurer of the Authority; and William J. ("Jack") Riddle, each being a Member of the Authority, convened at 1:00 p.m. on November 15, 2017. The Bond Committee was established by Resolution of the Authority, adopted on October 23, 2017 (the "Authority Resolution"), to approve the details of a revenue bond financing for the benefit of Bayhealth Medical Center, Inc. ("Bayhealth") as more fully described in the Authority Resolution. Also participating in the meeting were Robert Guadagno of PFM Financial Advisors LLC, the Authority's Financial Advisor; Matthew J. O'Toole and Alyssa L. Gerace, of Potter Anderson & Corroon LLP, the Authority's Counsel; Emilie R. Ninan, of Ballard Spahr LLP, the Authority's Bond Counsel; Christopher Tucker, of PNC Capital Markets LLC (the "Underwriter") (by telephone); Mike Tretina representing Bayhealth (by telephone); John Cheney, of Ponder & Co, Bayhealth's Financial Advisor (by telephone); and Peter Edelman, of Stevens & Lee, Bayhealth's counsel (by telephone). Also present at the meeting were Lynne McElwee, of Potter Anderson & Corroon LLP.

The meeting and the public hearings to be conducted at the meeting were duly noticed. No members of the public were in attendance.

Mr. Eriksen invited presentation of the bond sale proposal.

Mr. Tucker described the proposal of the Underwriter to purchase the Series 2017A Bonds (hereinafter defined) pursuant to a Bond Purchase Contract dated November 15, 2017 (the "Bond Purchase Agreement") and requested the Bond Committee to approve the Bond Purchase Agreement.

Mr. Guadagno noted that the Bond Purchase Agreement provides for an underwriting discount of \$3.85976 per bond, and further confirmed that the terms of the Underwriter's proposal with respect to the sale of the Series 2017A Bonds complied with the limitations set forth in clauses (i) – (iii) of Section 4(b) of the Authority Resolution. Mr. Guadagno recommended that the Bond Committee approve the Underwriter's proposal.

Mr. O'Toole accordingly advised the Bond Committee that the proposal was within the parameters established by the Authority Resolution.

After further discussion, the following Resolution was moved by Mr. Riddle, seconded by Mr. Baker, and unanimously approved by the Bond Committee:

RESOLVED THAT:

1. Pursuant to the Trust Indenture between the Authority and Wilmington Trust, National Association, as Trustee, dated as of December 1, 2017 (the "Indenture"), the Authority shall issue its Revenue Bonds (Bayhealth Medical Center Project), Series 2017A, in the aggregate principal amount of \$112,120,000 (the "Series 2017A Bonds") for the purposes described in the Authority Resolution and shall lend the proceeds thereof to Bayhealth pursuant to a Loan Agreement dated as of December 1, 2017 between the Authority and Bayhealth (the "Loan Agreement"), and such issuance and loan are hereby approved.

2. The Series 2017A Bonds have a final maturity date of July 1, 2044, which is within 27 years of the date of issuance. The Series 2017A Bonds will bear interest at fixed rates as set forth in the Bond Purchase Agreement. Such terms are hereby approved.

3. The Underwriter's discount and the purchase price for the Series 2017A Bonds shall be as set forth in Exhibit A attached hereto and made a part hereof. Such terms are hereby approved.

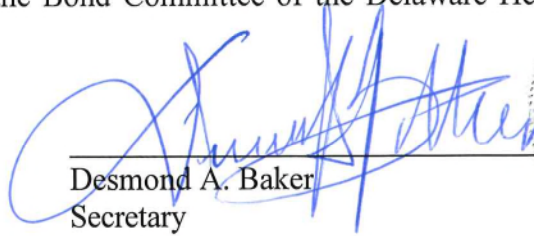
4. The Bond Committee hereby approves the following documents which are authorized to be executed and delivered in such form as the signers thereof shall approve to carry out the intent of this Resolution: the Bond Purchase Agreement, the Indenture, the Series 2017A Bonds, the Loan Agreement, the Official Statement dated November 15, 2017 relating to the Series 2017A Bonds, any Tax Certificate required by federal tax law, and any other agreements, instruments, certificates, documents or writings (including without limitation any Series 2017 Bond Documents (as defined in the Authority Resolution)) required or advisable to accomplish the intent of this Resolution (collectively, the "Documents").

5. The Bond Committee hereby approves and acknowledges the following documents to be executed by parties other than the Authority in connection with the issuance of the Series 2017A Bonds: a Master Trust Indenture between Bayhealth and Wilmington Trust, National Association, as Master Trustee, dated as of December 1, 2017, and any supplemental master trust indenture, a Continuing Disclosure Agreement and any Tax Certificate required by federal tax law.

6. The Chairman, the Vice Chairman and all other officers of the Authority, or any of them, acting alone, is authorized to execute and deliver any of the foregoing Documents as well as any other agreements, documents, instruments or certificates required or advisable to accomplish the intent of this Resolution.

There being no further business to come before the meeting, the meeting was adjourned at 1:25 p.m.

I, Desmond A. Baker, hereby certify that the foregoing is a true and correct copy of the Minutes of a meeting of the Bond Committee of the Delaware Health Facilities Authority held on November 15, 2017.



Desmond A. Baker
Secretary

